

LOW POWER FM COMMENTS OF DICK TAYLOR

Low Power FM is to radio what "Freedom to Farm" is to the farmer. Sometimes looking at a different situation helps one to see their own situation a little more clearly.

More is not merrier....and more directly....is the road to disaster.

I remember back in my college psych class, if one put too many rats in a confined area, the rats would soon cannibalize one another. I believe that Docket 80-90 did that to radio. Then the LMA and the February 1996 deregulation was an attempt to put the "genie back in the bottle" and correct the ills of that decision.

LPFM will be a course that will forever destroy broadcasting in America as we knew it. Local service to local communities will be gone forever.

I moved to Iowa only six months ago. I did not grow up on a farm so farming was new to me. In a very short time, I have come to understand the plight of the hog, soy and corn farmers.

When the "Freedom to Farm" act was passed, farm prices rose. The non-farmers thought this was an indication that this legislation that did away with the old acreage allotments was the reason. In reality, it had nothing to do with the short run-up, but would have everything to do with the sharp and protracted downturn.

The act in essence allowed farmers to produce themselves into poverty. The act is now been renamed "Freedom to Fail" in the ag circles.

Here's an example: In 1995-6 at the beginning of the act corn prices went from \$2.25 per bushel to over \$5 per bushel. Today, corn is at \$1.45 per bushel and I spoke with a farmer yesterday that was offered \$1.05 per bushel for his corn and passed on the offer, though he desperately needed the money for his crop. The answer to the hog, cattle, soy and corn dilemma is....LIMIT PRODUCTION.

So, how does this apply to radio? The radio industry has yet to understand how to run a consolidated industry and now the FCC wants to load up the spectrum with more stations. More operators going after an increasingly fragmented advertising pie. (If you don't think they will seek revenue to say on the air, you only need look at the Public Broadcasting System's "underwriting" announcements to see PAID ADS airing on PBS stations.) And remember, RADIO ADS ARE THE ONLY WAY A RADIO STATION PAYS IT'S BILLS AND SERVES IT'S COMMUNITY.

In addition to this, two satellite launches in the coming months will add 200 more "radio" signals to my market. My local cable system, now owned by AT&T offers another 30 to 40 "radio" music programming channels too.

And the price of radio ads in the local market parallels the commodity prices of America's Heartland.

LPFM very well could be the straw that breaks the camel's back in small market radio.

When there is an over-supply of anything, the value of that entity, product or service plummets. Without scarcity, there's no basis for an economy.

Don't do it! Learn from the mistakes of others. Limit the number of stations on the air in a marketplace so as to insure that they be viable entities that can continue to serve their communities with the news, public service, emergency warnings, etc., that the public has come to take for granted as one of their inalienable rights of being an American.

Dick Taylor, CRMC
General Manager
KOEL AM/FM, KKCV, KCRR
501 Sycamore Street, Suite 300
Waterloo, IA 50703
DTaylorGM@AOL.COM

